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Toll-road trend reaching Minnesota

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Star Tribune

Published 01/26/2004

If Minnesota's future includes toll roads, as Gov. Tim Pawlenty hopes, state drivers will be hopping onto a worldwide trend toward pay-as-you-go travel.

Although several nations have aggressively embraced the concept as a way of easing traffic congestion without imposing onerous transportation taxes, it remains in its infancy in the United States.

With only a few of what are called high-occupancy toll (HOT) lanes operating in this country, a review of their records shows that, with a few exceptions, they've lived up to their billing.

"They're not a panacea; everyone wants a silver bullet to solve transportation problems," said Bill Stockton, associate director of the Texas Transportation Institute, a research organization at Texas A & M University. "This allows you to make better use of the facilities you have instead of surrendering to gridlock."

With each passing year, that gridlock is worsening in the Twin Cities area, as it is nationwide.

The institute's most recent analysis of metro-area traffic congestion found that it lengthens rush-hour trip times by 34 percent, which amounts to 53 hours a year sitting in traffic. That costs Twin Cities-area motorists \$1.3 billion a year in wasted time and fuel.

The institute also found that of the 75 metro areas where it measured traffic, the Twin Cities ranked second in the rate its gridlock is worsening.

And even as congestion has become the metro area's No. 1 livability issue, it has become clear that the money isn't there to build more freeway lanes. Not only is the state's 20-cent-a-gallon gas tax (frozen in 1988) inadequate for the job, but also Pawlenty has ruled out any tax increases whatsoever.

The scale of the job nationally is just as daunting: A 1999 study by American City and County magazine concluded that expanding the nation's highway grid enough to alleviate gridlock would collectively cost \$40 billion a year more than the \$20 billion now spent nationwide on highway maintenance.

"I'm a traffic engineer, and I can tell you you'll never be able to build all the capacity you could possibly need," the research group's Stockton said.

At head of pack

City and County magazine also found that 475 toll roads costing \$228 billion were on the drawing board worldwide, most of them in Asia. In the United States, toll roads accounted for only 4,657 miles of the nation's 3.8 million miles of streets and roads.

That is changing, however slowly. In presenting his toll-road plan last month, Pawlenty cited five other such projects nationwide, most of them still in the planning stages or just starting up.

Some tollways have been publicly financed, but a growing number are partnerships in which a private firm builds and

operates the toll lanes in exchange for their revenue.

Pawlenty's plan generally follows the latter.

This month, the Minnesota Department of Transportation (MnDOT) will begin discussions with companies that might be interested in building lanes in the Twin Cities area.

Possible routes could include Interstate Hwys. 494, 94 and 35W, and Hwys. 169, 65 and 36.

How they work

While details vary from project to project, the toll roads generally work this way: Drivers willing to pay a toll that may vary by time of day would get access to free-flowing lanes when traffic is the worst, along with carpool riders who would use the lanes for free.

Instead of plunking coins into a toll collection basket, drivers use an electronic collection system. Users deposit money into an account and place an electronic device on their dashboards that can be read by an overhead machine. Each time they enter the lane, the amount of the toll is deducted.

Pawlenty's plan aside, Minnesota's first experiment with toll lanes will occur late this year when solo drivers can start paying a toll for a congestion-free trip on the existing Interstate Hwy. 394 carpool-bus lanes.

Equity issue?

While most existing toll roads have lived up to expectations, there have been a few bumps in the road.

Public skepticism has been widespread, said Robert Poole, transportation director of the Reason Public Policy Institute in Los Angeles and a prominent proponent of privatizing government functions.

"People couldn't quite believe that pricing would have much effect on usage or congestion; at the other extreme, there was concern that if they did work, such lanes would be used only by the rich and become 'Lexus Lanes.' "

The equity issue has been largely laid to rest because every toll road that has been examined shows that it is used by drivers of all economic classes, Poole and Stockton said.

"People use it to meet a specific need," Stockton said. "If you're running late to pick up your kid at day care and they're going to charge you \$1 a minute, isn't it worth it to pay two bucks to shave 20 or 30 minutes off your trip? And it turns out that most people use the lanes rarely, regardless of their economic status."

Motorists have occasionally barked about toll increases, particularly on California's Express 91 lanes, where tolls have been raised three times.

But the criticism has been relatively muted, Poole said, because users realized that tolls "must be adjusted upward, as needed, to limit the number of vehicles to the amount consistent with free flow during rush hours. So reducing peak-period tolls would destroy the purpose of the HOT lanes: to guarantee a quick trip during rush hour."

Pawlenty has said that rather than imposing a tax on all Minnesotans, his proposal would give them a choice of using something that benefits them.

Pitfalls

In California, the Express 91 project was plagued by administrative headaches that haven't occurred elsewhere. Although it started out as a private venture, the 10-mile road was bought out in 2002 by the Orange County Transportation Authority, primarily on the grounds that it would lead to lower tolls.

"A few public and private toll roads have gone into receivership, due to insufficient traffic, but to the best of my knowledge, no others have been bought out by a government agency," Poole said.

A potential Achilles heel of toll roads is overly optimistic projections of traffic and revenue, two of the nation's bond-rating agencies warned recently.

"There has been a tremendous amount of volatility in the credit quality of start-up toll roads, mainly on the downside," according to a report by Fitch Ratings. "A number of projects have been rated investment-grade initially -- even after using what we thought were relatively conservative forecasts. But later on we found that the traffic levels and revenue levels were even lower than some of those [estimates] and as a result we have had to downgrade a number of projects."

Enough of those bad forecasts have occurred that the rating agencies have exerted increasing pressure on project managers for toll roads to make their forecasts conservative, he said.

Enough experimentation, planning and operation have occurred with toll roads elsewhere that Minnesota transportation officials can use others' experience to avoid pitfalls, Stockton said.

"There's no doubt this has become a valuable tool in the transportation tool box, so I can't imagine they'll make many missteps," he said.

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